

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA,

Plaintiff,

-against-

PREVEZON HOLDINGS LTD., *et al.*,

Defendants.

NO. 13-CV-6326 (TPG)

ECF CASE

**DECLARATION OF JOHN W. MOSCOW IN SUPPORT OF DEFENDANTS' MOTION  
TO VACATE OR MODIFY THE AMENDED PROTECTIVE ORDER AND IN FURTHER  
SUPPORT OF THEIR MOTION TO DISMISS THE AMENDED COMPLAINT**

John W. Moscow hereby declares as follows:

1. I am a member of the bar of this Court and a partner at Baker & Hostetler LLP, and am counsel of record for the above-captioned Defendants in this action. I respectfully submit this Declaration in Support of Defendants' Memorandum of Law in Support of Their Motion to Vacate or Modify the Amended Protective Order and in Further Support of Their Motion to Dismiss the Amended Complaint.
2. Attached hereto as Exhibit 1 is a true and correct copy of Defendants' Motion to Dismiss the Amended Complaint. Dkt. 213.
3. Attached hereto as Exhibit 2 is a true and correct copy of the July 8, 2015 Order of the United States Court of Appeals for the Second Circuit in this case.
4. Attached hereto as Exhibit 3 is a true and correct copy of excerpts of the Government's 30(b)(6) Deposition taken on March 3, 2014. Dkt. 81-1.

5. Attached hereto as Exhibit 4 is a true and correct copy of

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PREV0008258-8264.

6. Attached hereto as Exhibit 5 is a true and correct copy of

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PREV0008257.

7. Attached hereto as Exhibit 6 is a true and correct copy of excerpts from the Government's March 12, 2015 brief filed before the United States Court of Appeals for the Second Circuit in this case.

8. Attached hereto as Exhibit 7 is a true and correct copy of excerpts from the April 15, 2015 deposition of William F. Browder. Dkt. 281-1.

9. Attached hereto as Exhibit 8 is a true and correct copy of excerpts from the Government's June 15, 2015 letter to Defendants in this case.

10. Attached hereto as Exhibit 9 is a true and correct copy of excerpts from the Russian Federation's letter to the Government, along with certified translations thereto.

11. Attached hereto as Exhibit 10 is a true and correct copy of a March 3, 2014 Grand Jury Subpoena issues to William F. Browder in *U.S. v. Prevezon Holdings Ltd.*, et al. 13 Civ. 6326 (TPG). Dkt. 106-2.

12. Paragraphs 96-97 of the Amended Complaint allege that:

For example, Arivust Holdings, Ltd. ("Arivust") is a Cyprus-based company with a bank account at the Swiss bank Credit Suisse (the "Arivust Account"). Arivust, incorporated in January 2008, is beneficially owned by STEPANOV, then-husband of STEPANOVA, the head of Moscow Tax Office No. 28, who had authorized millions of dollars worth of fraudulent refunds as part of the \$230 Million Fraud Scheme.

On February 5, 2008, in a wire transfer routed through the Southern District of New York, the Bunicon Banca De Economii Account transferred \$726,000, to an

account at a Latvian bank in the name of Nomirex Trading Limited. In two transfers in February of 2008, *that Nomirex account transferred almost 4 million euros to an account in the name of the British Virgin Islands company Quartell Trading, Ltd., which promptly transferred over U.S. \$150,000 of that money to Baikonur Worldwide, Ltd., also a British Virgin Islands company.* In five transfers from on or about May 26, 2008 through on or about June 17, 2008, Baikonur (which on information and belief has shared ownership with Quartell) sent approximately 7.1 million euros to Arivust.

Dkt. 174 ¶ 96-97 (emphasis added).

13. According to the documents produced by the Government pursuant to this Court's May 29, 2015 Order,

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US-PREV081540; *see also* US-PREV081292

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A true and correct copy of these pages is attached hereto as Exhibit 11.

14. The first payment from Baikonour to Arivust occurred on May 26, 2008 (from Baikonour's <sup>CONFIDENTIAL</sup> ), three months later. US-PREV081391. A true and correct copy of this page is attached hereto as Exhibit 11.

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US-PREV081293 (March 13 and 17 entries), 81295-96 (April 7 and 24 entries). A true and correct copy of these pages is attached hereto as Exhibit 11.

16.

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US-PREV081389. A true and correct copy of this page is attached hereto as Exhibit 11.

17. According to the Second Circuit in *Banco Cafetero*, the unlawful proceeds cannot be traced further once the account reaches a negative balance. That is simple logic. When an account reaches a negative balance, it means the unlawful proceeds were fully used for another purpose by the date of the negative balance.

18. Thus, based upon the Government's own documents, the approximately \$150,000 alleged bribe never reached Stepanov, the divorced husband of Stepanova (the tax official), and it certainly never reached her. The Government's bribe theory collapses.

19. A true and correct copy of the Statement of Denis Katsyv dated February 19, 2014 is attached hereto as Exhibit 12. Dkt. 81-10.

20. A true and correct copy of Defendants' proposed Order Vacating the Post-Complaint Amended Protective Order is attached hereto as Exhibit 13.


21. A true and correct copy of Defendants' proposed Order Modifying the Post-Complaint Amended Protective Order is attached hereto as Exhibit 14.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 28, 2015  
New York, New York

Respectfully submitted,

**BAKER & HOSTETLER LLP**

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